



**Mississippi Development Authority**

**Economic Development Program**

**Amendment 4 Modification 4**

**March 8, 2010**

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**BACKGROUND AND SCOPE**

Public Law 109-148 provided funding for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of hurricanes in the Gulf of Mexico in 2005 in States for which the President declared a major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The conference report (HR Rep No. 109-359) expands on this direction, stating that the legislation provides funding for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and mitigation in communities in any declared disaster area. Mississippi was allocated \$5,058,185,000.

The Mississippi Development Authority (“MDA”) submits this Economic Development Program Amendment 4 Modification 4 of the Final Plan approved by the United States Department of Housing and Urban Development (“HUD”) on December 19, 2006. MDA has determined that this represents a substantial amendment to the plan requiring formal submission to HUD and submittal for public comment. The nature, purpose, scope, and beneficiaries are defined in this modification.

**PROGRAM PURPOSE AND OVERVIEW**

The Economic Development Program provides activities for Economic Development, Community Revitalization, and Planning. This modification reopens the Go Zone Revitalization Grants program. As set forth in previous action plans, a total of \$75 million was allocated for this program. Following an application process which ended on September 7, 2007, a total of 39 awards have been made. However, \$350,000 remains available for award. Moreover, additional funding may become available as some projects previously awarded under this partial action plan are deobligated. Because there are still substantial unmet needs within the local communities of Mississippi’s 43 Katrina presidentially disaster declared counties originally eligible for these grants, MDA is reopening the Go Zone Revitalization Grants program for a limited time to utilize any remaining funds in addressing those needs.

**AVAILABLE FUNDS**

Of the \$75 million originally allocated for the Go Zone Revitalization Grants, \$350,000 remains unallocated. Additional funding may become available as projects previously funded are completed or deobligated. These additional funds will also be allocated based upon this amended partial action plan.

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## **ELIGIBLE APPLICANTS**

The 43 eligible counties for the Go Zone Revitalization Grants are listed below:

Adams	Jefferson	Oktibbeha
Amite	Jefferson Davis	Perry
Attala	Jones	Pike
Choctaw	Kemper	Rankin
Claiborne	Lamar	Scott
Clarke	Lauderdale	Simpson
Copiah	Lawrence	Smith
Covington	Leake	Walthall
Forrest	Lincoln	Warren
Franklin	Lowndes	Wayne
Greene	Madison	Wilkinson
Hinds	Marion	Winston
Holmes	Neshoba	Yazoo
Humphreys	Newton	
Jasper	Noxubee	

## **GRANT SIZE**

The minimum grant size for Go Zone Revitalization Grants is \$20,000. Given the limited funds remaining, a local government may only submit an application for a single project. MDA reserves the right to adjust the amount of the award and to invite additional applications from a unit of local government. This adjustment will be based on the verification of reasonable cost, need, and availability of Katrina CDBG funds.

## **THRESHOLD REQUIREMENTS**

The activities shown in the application must meet one of the National Objectives of the Community Development Block Grant Program ("CDBG") and must relate to the consequences of Hurricane Katrina. These requirements must be adequately documented to support that the activity meets the thresholds and is an eligible activity in order to be rated and considered for funding.

Additionally, a letter must accompany the application, signed by the local government, stating it understands that the use of the CDBG funds is not reimbursable by FEMA, SBA or other Federal agency. Waivers for audits should be requested prior to the due date of the application. Request for audit waivers will be considered if accompanied by an acceptable statement from the State Auditor's Office or a Certified Public Accountant, giving MDA the current status of the audit and the expected completion date.

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## **SELECTION PROCESS**

MDA has designed specific selection criteria that will objectively rate the Go Zone Revitalization Grant applications, which are listed below. MDA will rate all applications and assign points to each rating criterion based on the data provided in the application. . A competitive process was used to make initial awards under this partial action plan. The initial awards resulted in the awarding of approximately all of the \$75 million dollars. There is \$350,000.00 remaining unallocated and additional funds may be available as initially funded projects are deobligated. In order to effectively address the evolving needs of the Go Zone program, MDA will utilize an application process to disburse the remaining funds. The entity of local government must first be invited to submit a detailed narrative and budget for the proposed project. Based on need and project feasibility, MDA may meet with relevant parties to discuss the project. MDA will then issue a letter inviting a Go Zone application. The letter inviting the application will state the amount of Go Zone funds available to the applicant. Specific selection criteria will be used to objectively rate the application. Funding decisions will be based on the score attained. MDA, in its sole discretion, reserves the right to set a minimum scoring requirement for application acceptance.

### **Surveys**

Project area and town wide surveys will be accepted. If using a survey to determine the number of beneficiaries and low/mod numbers it must be conducted after September 2005.

If surveys were used to determine the low/mod or total beneficiaries a map must be presented with the application that correlates to the survey and in proper order. The survey must have at least an 80% response.

### **Eligible Activities**

Section 105(a) of the Housing and Community Development Act of 1974, as amended, lists all eligible activities that an applicant may undertake. The following is a listing of possible eligible activities for community revitalization:

1. The acquisition of real property (including air rights, water rights and other interests therein) which are:
  - a. blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;
  - b. appropriate for rehabilitation or conservation activities;

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- c. appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
  - d. to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or
  - e. to be used for other public purposes.
- 2. The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements, including:
  - a. Water and sewer facilities
  - b. Community, senior and health Centers
  - c. Fire protection facilities
  - d. Parking, streets, curbs, gutters and sidewalks, parks and playgrounds
  - e. Shelters for the homeless
  - f. Flood and drainage improvements
- 3. Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons.
- 4. Clearance, demolition, removal of buildings and improvements, and movement of structures and other sites.
- 5. Rehabilitation, preservation and restoration of historic properties, provided such activities meet a national objective.
- 6. Rehabilitation of commercial or industrial buildings, provided rehabilitation meets a national objective. However, the rehabilitation of a commercial or industrial building owned by a private for-profit business may qualify under the rehabilitation category only if the rehabilitation is limited to improvements to the exterior of the building and correction of code violations.

## **Application Process**

Based on MDA's long-standing project review process, the local government seeking these funds must first, upon invitation by MDA, submit a project proposal. Entities may not submit more than one proposal based on need. Based upon an initial review of the proposal, MDA may require a meeting with relevant parties to discuss the project. Then MDA may issue a letter inviting a CDBG grant application.

1. Only proposals and grant applications from eligible applicants will be considered.
2. Applications may be submitted individually by one unit of government or jointly by more than one unit of government.
3. Applications for the funds must be submitted in conformance with the format and instructions specified by MDA. MDA reserves the right to deny applications based on slow performance, unresolved findings, outstanding sanctions, or other reasons that could affect an applicant's ability to successfully complete the implementation of a CDBG Disaster project.

## **Proposal Period**

MDA will begin issuing invitations to local governments to submit proposals upon HUD's approval of this modification. Following MDA's review of the proposals, it may issue an invitation to the local government to submit an application. Applications will be due within 60 days after the date of written notification from MDA. MDA reserves the right to extend or modify the deadlines contained herein.

## **Maps**

A general project area map, showing the general location of the proposed project, with a more detailed insert (detailing project location), is required to be submitted with the application.

## **Site Visits and Inspections**

At the site visit and inspection, applicants must provide a signed HUD Disclosure form, 504 ADA Assessment and Environmental Checklist.

## **Application Scoring for Go Zone Revitalization Grants**

The selection process for these projects from the applications submitted will be based on the following rating factors:

1. Documentation of need and how the project will assist the long-term recovery from damage caused by Hurricane Katrina or how the project is needed because of the growth the community is experiencing

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| caused by the influx of evacuees to the community.         | <b>50 Points</b>         |
| 2. Local contribution.                                     | <b>5 Points</b>          |
| 3. Project covered in the Community Plan.                  | <b>10 Points</b>         |
| 4. Low/moderate income benefit.                            | <b>20 Points</b>         |
| 5. Project readiness/Projected start of construction date. | <b>15 Points</b>         |
| 6. Total   | <b><u>100 Points</u></b> |

**Applicants must demonstrate that threshold requirements are met and the activity is eligible to be rated and considered for funding.**

**Explanation of Rating Factors for Go Zone Revitalization Grants**

1. Documentation of need:

MDA will review each applicant's explanation as to the need for the project and shall measure the impact of the program on the identifiable need in relation to the amount of funds requested. The following factors will be used to help determine the need for each project:

- a. Extent and seriousness of the identifiable needs as they relate to consequences of Hurricane Katrina;
- b. Local efforts taken to resolve the project; and
- c. Number of persons benefiting, given the type project.

**POINTS SHALL BE AWARDED AS FOLLOWS:**

Critical Need Documentation	50 Points
Substantial Documentation	25 Points
Moderate Documentation	10 Points

2. Local contribution:

The applicant will receive 5 points if it is willing to contribute local funds toward the proposed project.

3. Project covered by a local plan:

The application should show how the project is consistent with officially adopted local plans. Examples:

- a. Comprehensive Plan
- b. Main street Plans

- c. Water and sewer Plans
  - d. Neighborhood Plans
  - e. Other similar Plans
- 10 Points

No Local Plan Covering project 5 Points

4. Low/Moderate benefit:

MDA will review each project's low/moderate percentage. If there is low/moderate benefit, the proposal will receive 20 points.

5. Project readiness/Projected start of construction date:

The issue here is a projection as to when the project will be begin construction. Points will be awarded along the following scale:

- |                |           |
|----------------|-----------|
| 1 – 6 months   | 15 Points |
| 7 – 12 months  | 10 Points |
| Over 12 months | 0 Points  |

**WAIVERS**

MDA requests that all existing waivers received for the original Economic Development Program Amendment 4 be considered effective for this modification for the Go Zone Revitalization Grant program. These include waiving the restrictions on the repair or reconstruction of buildings used for the general conduct of government at 42 USC 5035(a)(2) and 24 CFR 570.207(a)(i).

**ENVIRONMENTAL**

It is the intent of the Go Zone Revitalization Grant program to pass the CDBG funds through to the units of local government. The units of local government will assume responsibility for meeting all environmental requirements. MDA will provide technical assistance and monitor the local governments to ensure the environmental requirements are met and documented.

**MONITORING**

MDA has a bureau dedicated to the monitoring of current and future disaster recovery program funded with CDBG funds. This staff reports to both the Executive Director of MDA and the Governor of Mississippi. In addition, MDA will require the applicant receiving funds under this modification to enter into sub-recipient agreements with MDA. Among other provisions, these agreements will require regular progress reports, permit MDA access to grant records and sites, and require that all procurement is in accordance

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with state and federal requirements. Monitoring plans have been developed and will be used for this program.

#### **AUDIT REQUIREMENTS**

Funds disbursed under this program are subject to the audit requirements of the Single Audit Act of 1996 and OMB Circular A-133.

#### **INVESTIGATION AND MITIGATING OCCURRENCES OF FRAUD, ABUSE AND MISMANAGEMENT**

MDA will work with all federal agencies to investigate and mitigate instances of fraud, abuse and/or mismanagement of any CDBG funds. The Auditor for the State of Mississippi has an investigative team assigned to investigate suspected instances of fraud.

#### **COMPLAINT REFERRALS**

Complaints alleging a specific violation of a statutory or regulatory requirement, received by HUD at the Headquarters, Regional, or Field Office level will be forwarded to the appropriate State office for a response.

#### **SUBSTANTIAL AMENDMENTS**

MDA recognizes that adding or deleting an activity or changing the planned beneficiaries of an activity will constitute a substantial change requiring an amendment of the action plan.

#### **CITIZEN PARTICIPATION**

This proposed action plan will be submitted for public comment in both English and Spanish versions to the website at [www.msdisasterrecovery.com](http://www.msdisasterrecovery.com) on March 18, 2010 with the public comment period ending on March 31, 2010. Written comments regarding this proposed modification may be mailed to MDA, Post Office Box 849, Jackson, MS 39205, Attention: Disaster Recovery, or sent via facsimile to (601)359-4004. Comments may also be submitted online to [disasterrecoverycomments@mississippi.org](mailto:disasterrecoverycomments@mississippi.org). Changes may be made at that time and the final amendment to the Action Plan will then be submitted to HUD for approval.

#### **PUBLIC COMMENTS**

The public comment period ended on March 31, 2010 and no comments were received.